approximately the level at which it stood before the war.

There is good reason to hope that Mr Hoare's figures will not be reached. He took £10,000 millions merely as a round sum. Mr Bonar Law, it will be remembered, worked out our net debt on March 31st next at £6856 millions, taking credit for half the estimated amount of loans to Allies as a good asset. If we prefer as sounder bookkeeping to write off the whole of our loans to Allies for the time being and to apply anything that we may hereafter receive on that account to Sinking Fund, the debt, on the Chancellor's figures, will amount on March 31st (if the war goes on till that date) to £7672 millions. Even if the war went on for six months more it ought not to bring the debt up to more than £9000 millions at the outside. It is quite true, as Mr Hoare says, that the return to peace conditions will be a gradual process, and that expenditure will not come back to a peace basis all at once. Demobilisation and other matters which were left, by our cheery Chancellor, out of the airy after-war balance-sheet that he so light-heartedly constructed, may cost £1000 millions or more before we have done with them. But against them we can set a string of recoverable assets which, in the Chancellor's hands, footed up a total of £1172 millions—balances in agents' hands, due debts

(apart from loans to Allies), land, securities, ships, buildings, stores in Munitions Department, arrears of taxation, and so on. With his *us. 6d.* in the pound on unearned and 6s. In the pound on earned incomes, Mr Hoare expects a revenue of ^620 millions, " or